

NEARMAP. THE FUTURE OF LOCATION INTELLIGENCE.

NEARMAP LTD
INVESTOR BRIEFING
HALF YEAR RESULTS SIX MONTHS TO
31 DECEMBER 2018



Captured: January 2018
Sydney, NSW



STRONG GROWTH IN H1 FY19 KEY METRICS. GROUP PORTFOLIO LIFETIME VALUE EXCEEDS \$1 BN.

For personal use only



ANNUALISED CONTRACT VALUE (ACV)
\$78.3m ↑ 44% on pcp¹

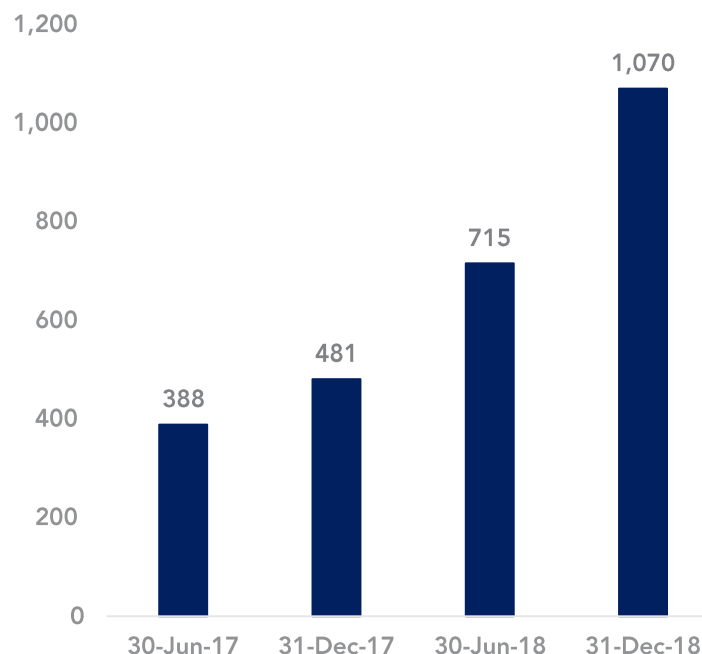


REVENUE
\$35.5m ↑ 45% on pcp²



GROSS MARGIN
82% ↑ 2% on pcp

GROWTH IN PORTFOLIO LIFETIME VALUE (LTV) AUD\$m



GROUP SALES TEAM CONTRIBUTION RATIO
117% ↑ 20% on pcp



GROUP SUBSCRIPTION CHURN
6.0% ↓ 3% on pcp



SUBSCRIPTIONS ACCESSING NEW PRODUCT FEATURES
\$16m ↑ 77% since 30 June 2018

Reaffirm FY19 cash flow break even (excluding deployment of capital raise proceeds)

¹ US ACV translated at period end exchange rate – Refer Nearmap H1 FY19 Analyst Pack for period-on-period FX impact

² prior comparative period – Refer Appendix

H1 FY19 OPERATIONAL HIGHLIGHTS POSITION FOR FUTURE GROWTH.



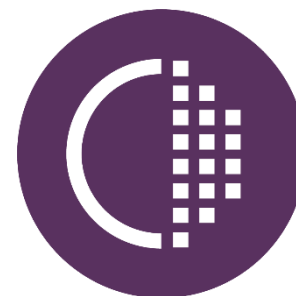
PRODUCT ENHANCEMENT

- Launched a range of new products, including:
 - Offline 3D subscription availability
 - Roof measurement tools
 - Enhanced integration and scalability for enterprise customers



CAPTURE TECHNOLOGY

- Next generation of HyperCamera2, allowing higher, faster capture



MACHINE LEARNING RESEARCH

- Data science team conducting research on deriving insight from extensive Nearmap data set



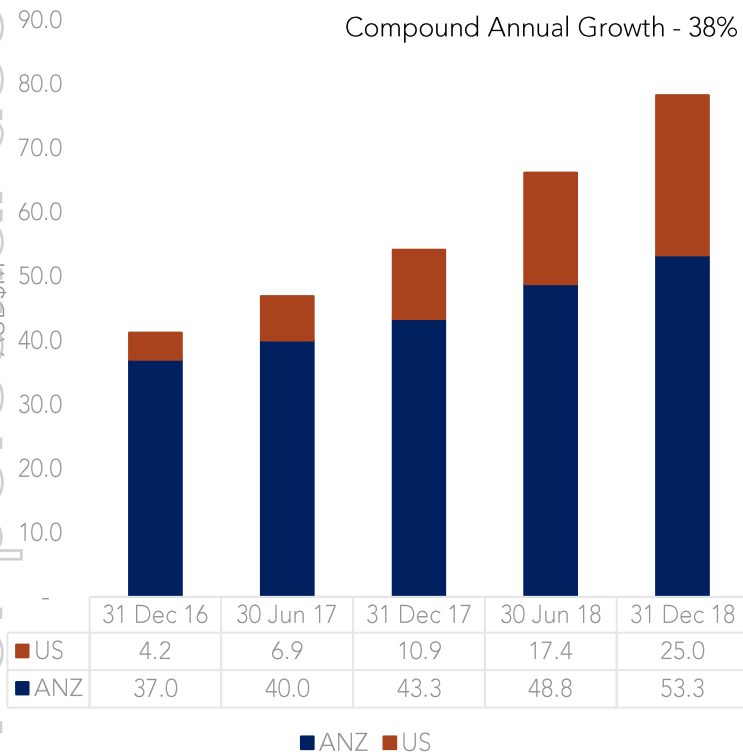
SCALING FOR A GLOBAL OPPORTUNITY

- Strengthened balance sheet following capital raise
- Enables acceleration of strategic objectives including international expansion, sales & marketing and product and technology development
- Projects underway

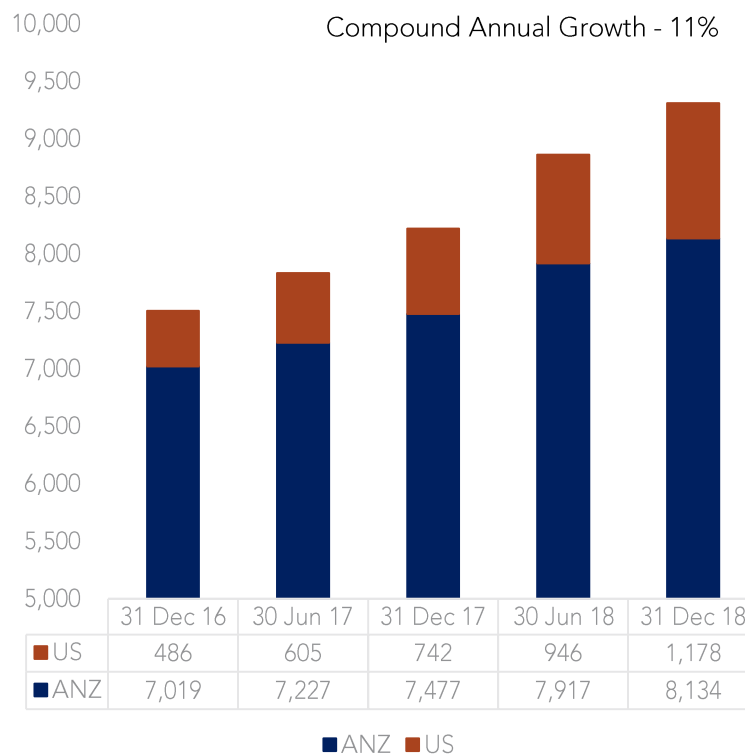
ACV PORTFOLIO OF \$78.3M. SIX-FOLD GROWTH IN US ACV IN TWO YEARS.

For personal use only

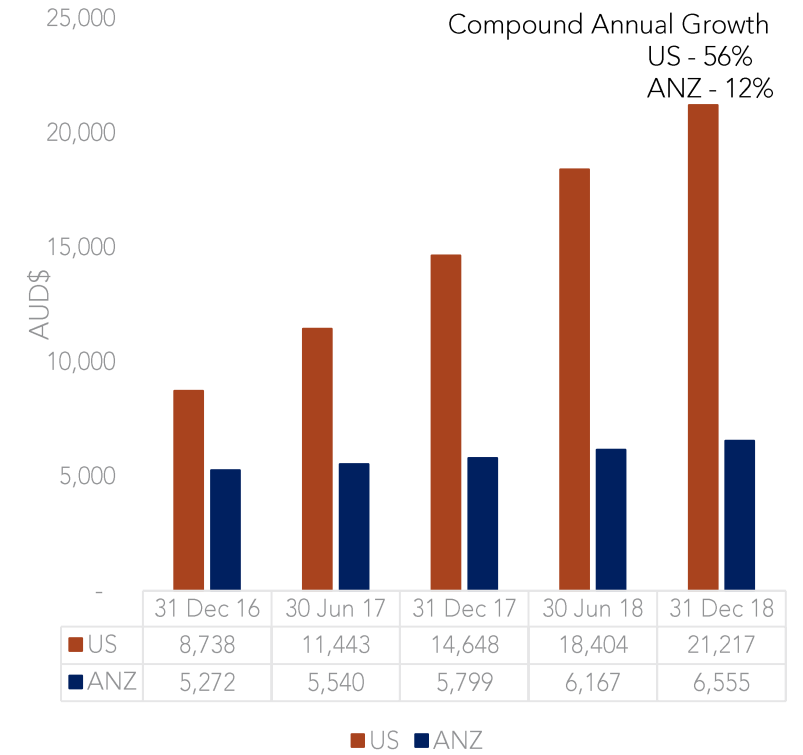
GROUP ACV GROWTH (AUD\$m)²



GROUP SUBSCRIPTIONS GROWTH



GROUP ARPS¹ GROWTH (AUD\$m)²



¹ ARPS = Average Revenue per Subscription – Refer Appendix

² US ACV translated at period end exchange rate – Refer Nearmap H1 FY19 Analyst Pack for period-on-period FX impact

All currency amounts are in AU dollars unless otherwise noted.

STRONG GROWTH IN NEW SUBSCRIBERS AND UPSELL. GROUP CHURN REDUCED 50% TO 6.0% P.A.

For personal use only



37% ↑ in New Business ACV (vs pcp)

Particularly strong growth in the US with traction in the long tail and momentum in the International & Partnerships division.



42% ↑ in Net Upsell ACV (vs pcp)

Growth driven by the ongoing roll-out of new content to customers



6% Group Churn

Churn has fallen in absolute and relative terms for the third successive half, with a continuing focus on customer experience and engagement



36% of Portfolio on Multi-year Subscriptions

Continuing to drive deeper into customer workflows

¹ Net Upsell – value of upsell minus downsell on subscriptions renewed during the period



\$78.3m

ACV

44% growth on pcp

=



9,312

Subscriptions

13% growth on pcp

X



\$8,410

ARPS

27% growth on pcp

GROUP ACV PORTFOLIO MOVEMENT H1 FY18 TO H1 FY19

\$M	H1 FY18	H2 FY18	H1 FY19
Opening Portfolio	47.0	54.2	66.2
New Business	5.7	6.8	7.8
Net Upsell ¹	3.6	6.3	5.1
Churn	(1.9)	(1.7)	(1.6)
12 Month Churn (%)	9.0%	7.5%	6.0%
Net incremental	7.4	11.4	11.3
FX Impact	(0.1)	0.6	0.8
Closing Portfolio	54.2	66.2	78.3

RECORD HALF-YEARLY US ACV PORTFOLIO GROWTH.

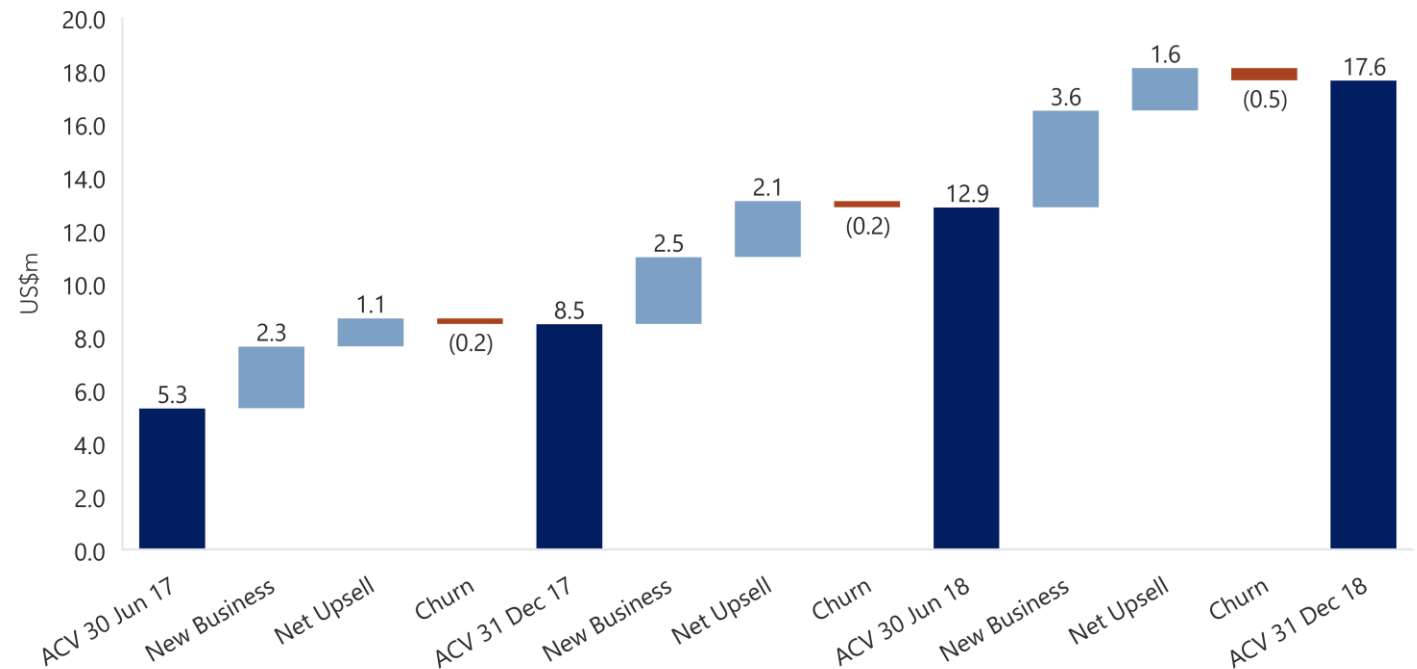


USD\$17.6m = **1,178** **X** **USD\$14,975**
ACV **Subscriptions** **ARPS**
 108% growth on pcp 59% growth on pcp 31% growth on pcp

Sales Team Contribution Ratio: 113% (H1 FY18: 95%)

- New business ACV increased 113% to USD\$3.6m. 293 new subscriptions in H1 FY19 vs 173 in H1 FY18 demonstrating traction in the long tail.
- Net upsell ACV increased to USD\$1.6m
- 12 month rolling churn of 8.4%, down from 15.9% in the pcp
- Significant growth across all customer categories from small and medium business to large enterprise customers. Strong contribution from newly formed International & Partnerships division.

US ACV PORTFOLIO MOVEMENT H1 FY18 TO H1 FY19 (USD\$m)



MARKET LEADERSHIP DRIVES CONTINUED GROWTH IN ANZ ACV PORTFOLIO.

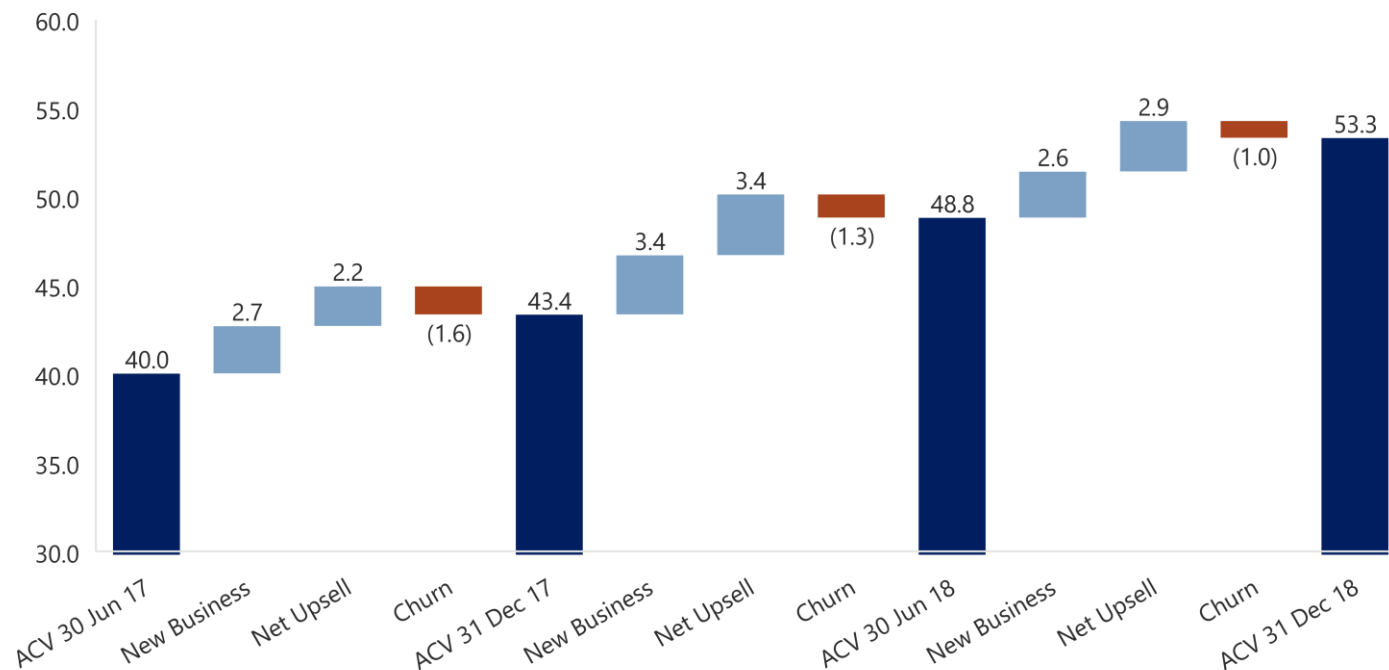


\$53.3m = **8,134** X **\$6,555**
ACV **Subscriptions** **ARPS**
 23% growth on pcp 9% growth on pcp 13% growth on pcp

Sales Team Contribution Ratio: 117% (H1 FY18: 101%)

- New business ACV consistent with pcp at \$2.6m
- Net upsell ACV increased 28% to \$2.9m as new content continues to be rolled out
- Percentage churn reduced to 5.3%, with absolute churn decreasing \$0.6m on pcp
- Growth across all customer size categories with Architecture, Construction and Engineering remaining the largest segment

ANZ ACV PORTFOLIO MOVEMENT H1 FY18 TO H1 FY19 (AUD\$m)



SAAS¹ BUSINESS MODEL DRIVES SCALE IN NET OPERATING CASH FLOW.

For personal use only

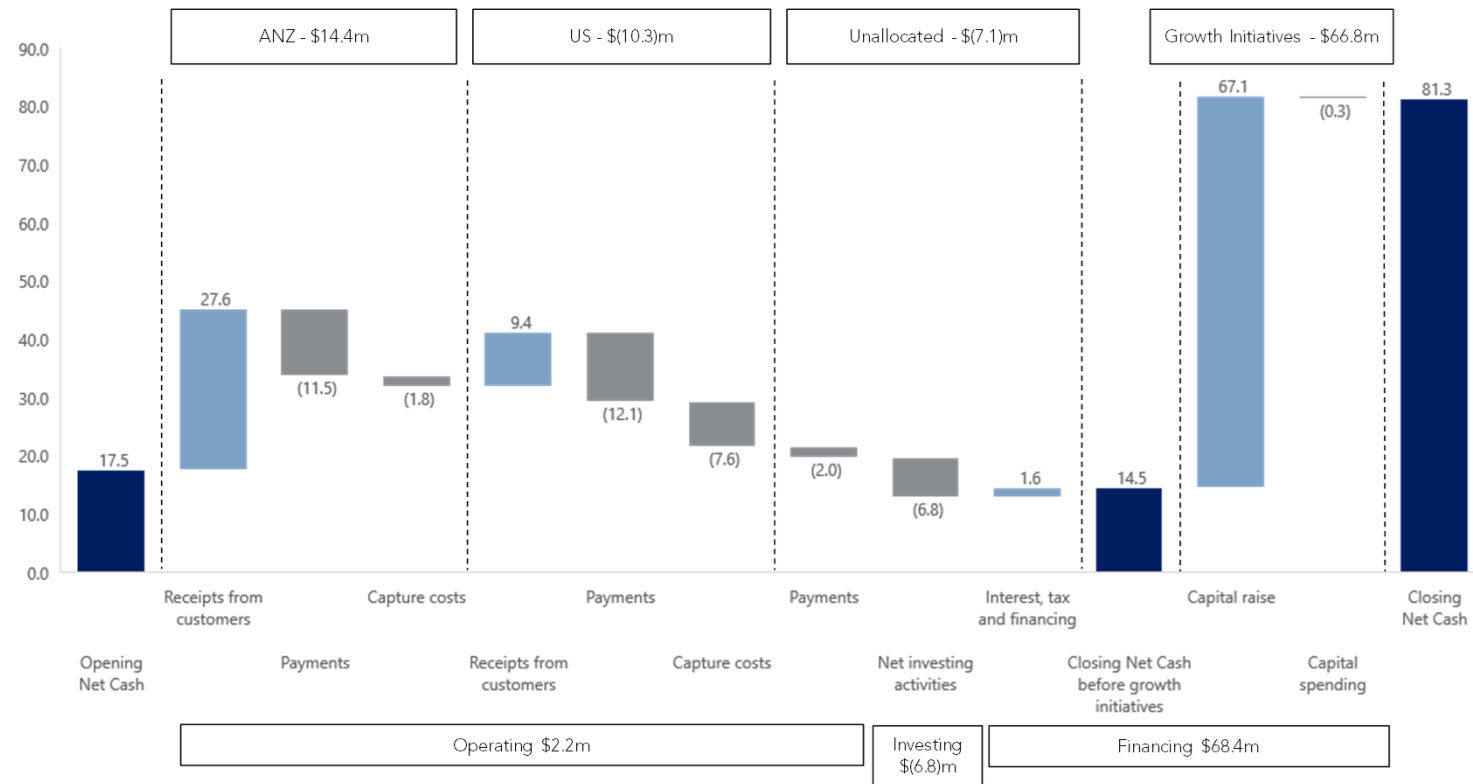
Net operating cash inflows (excluding tax, interest and deployment of capital raise proceeds) were \$2.2m (H2 FY18: \$0.6m)

ANZ cash inflows of \$14.4m self fund US and corporate operating activities

\$6.8m of cash invested into product and technology development

Balance sheet strengthened with \$70m capital raise, with deployment of funds underway

NEARMAP'S NET CASH FLOW H1 FY19 (AUD\$m)



¹ SaaS – Software as a Service

DISCIPLINED INVESTMENT AND INCREASING US MARGINS DRIVE EBITDA GROWTH.

- 45% growth in Group revenues, driven by growing ACV
- Revenue % growth rate is double the rate of growth of group expenses
- Improving gross margin reflects increasing US contribution:
 - US gross margin 50% (H1 FY18: 2%)
 - AU gross margin 95% (H1 FY18: 94%)
- EBITDA of \$8.1m is a 7x improvement on H1 FY18, demonstrating the operating leverage of the SaaS business model and positive margin impact of prior year investments

SUMMARY FINANCIALS ¹

AUD\$m	H1 FY18	H1 FY19	Change on pcp
ACV	54.2	78.3	44%
Total revenue ²	24.4	35.5	45%
Cost of revenue	5.0	6.2	(24)%
Gross profit ²	19.4	29.2	51%
Gross margin (%)	80%	82%	2%
Operating expenses ³	24.2	29.8	(23)%
EBIT	(4.7)	(0.5)	>100%
D&A	5.9	8.6	(46)%
EBITDA	1.2	8.1	>100%
(Loss) after tax	(6.5)	(2.0)	>100%

¹ Excludes impact of realized and unrealized FX gains / losses

² Excludes interest and other income

³ Includes other income



Captured: June 2018
Dallas, TX

NEARMAP – A GLOBAL LEADER IN LOCATION INTELLIGENCE.



A GLOBAL GEOSPATIAL VISION

An integrated global location intelligence company, delivering multiple imagery, data formats and insights.



POWERFUL SAAS BUSINESS MODEL

Bringing Nearmap's unique content and insights to:

- New customer segments
- New and diverse use cases



EFFECTIVE UNIT ECONOMICS

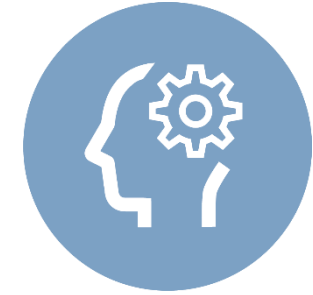
Efficiency of sales & marketing, retention and capture program

Over \$1 billion of customer lifetime value



COMPELLING CUSTOMER UTILITY

Nearmap content embeds into customer workflows to address a range of business issues



FOREFRONT OF TECHNOLOGY EVOLUTION

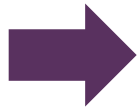
From camera systems to processing software to product features and beyond

A LARGE AND GROWING GLOBAL MARKET OPPORTUNITY.



GROWING AERIAL IMAGERY MARKET

Global aerial imagery market estimated at USD\$7.4 billion (2018), growing to USD\$10.1 billion in 2020¹



MARKET EXPANDING BUSINESS MODEL

- World leading technology and product
- Subscription business model opens up aerial imagery to new customers and use cases



AUD\$250-300m



USD\$1-2b

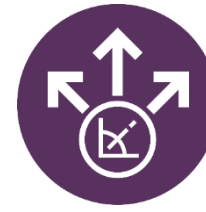


NZD\$50m



CAD\$300-400m

TOTAL ADDRESSABLE MARKET²



CONTENT OPENS NEW MARKET SEGMENTS

In the USD\$339 billion global geospatial industry market¹:

- 3D scanning software and services global market USD\$3.8 billion (2018)¹
- GIS / Spatial Analytics content global market USD\$18.4 billion¹



NEW GEOGRAPHIC MARKETS

Nearmap's unique business model has the potential to scale to multiple geographies around the world, particularly developed economies with an advanced level of adoption of geospatial technology, software and services

¹ Geobuiz "Geospatial Industry Outlook & Readiness Index" 2018 edition, Geospatial Media & Communications

² Nearmap company estimates

OVER \$15M OF CAPITAL RAISE PROCEEDS COMMITTED TO IMPLEMENT GROWTH INITIATIVES UNDERWAY.

Capital raise has allowed implementation of growth initiatives below.

Ongoing assessment of potential organic and inorganic opportunities (including significant acquisition opportunities).



TARGETED US SALES & MARKETING

- At least \$5 million to be invested over 12 months into expanded US sales & marketing strategy for deep penetration of a specific identified US vertical and geography
- Campaign will be launched in Q4



EXPANSION TO CANADA

- At least \$5 million to be invested over 18 months for the Canadian expansion program
- Capture program to commence April 2019, with sales and operations to leverage existing US infrastructure
- Initial population coverage estimate of 60%



EXPANDED PRODUCT & CONTENT

- At least \$5 million to be invested over 18 months on:
 - Location intelligence
 - 3D in MapBrowser enablement
 - Camera system evolution
- Expansion of internal technology capability and headcount underway

H2 FY19 OUTLOOK AND PRIORITIES

For personal use only



SALES EFFICIENCY

- BAU costs consistent with H1, capable of supporting higher revenues
- Other initiatives aimed to deliver growth over 12 – 18 months



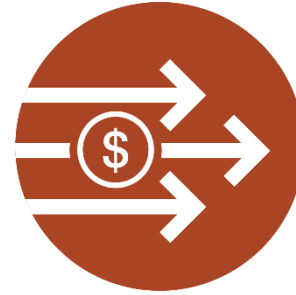
PRODUCT ENHANCEMENT

- Range of releases to increase the workflow utility and stickiness of the MapBrowser platform



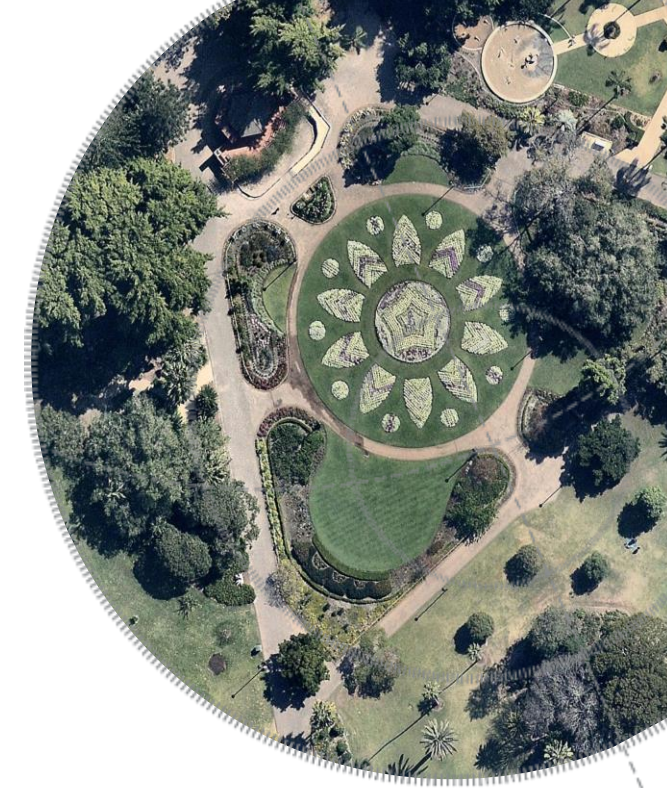
CUTTING EDGE 3D CONTENT

- Release of ground breaking widescale 3D visualisation and export tools in a simple to use browser.



OUTLOOK AND GUIDANCE

- Reaffirm cash flow break even for FY19 (excluding deployment of capital raise proceeds)
- Continuing to invest to support sustained growth



Captured: September 2017
Brisbane, QLD

APPENDICES.

For personal use only

RECONCILIATION OF REVENUE TO MOVEMENT IN CASH.

AU\$m	1H FY18				1H FY19			
	ANZ	US	Unallocated	Group	ANZ	US	Unallocated	Group
Revenue	20.6	3.8	0.3	24.7	25.7	9.8	0.8	36.3
Cash costs to capture	(1.3)	(5.8)	-	(7.2)	(1.8)	(7.6)	-	(9.3)
Storage, administration & other	(0.5)	(1.7)	-	(2.2)	(0.3)	(1.4)	-	(1.7)
Total cost of sales	(1.9)	(7.5)	-	(9.4)	(2.1)	(9.0)	-	(11.1)
Gross profit - pre-capitalisation	18.8	(3.8)	0.3	15.3	23.6	0.8	0.8	25.2
Direct sales & marketing	(3.3)	(4.3)	-	(7.6)	(3.9)	(5.8)	-	(9.7)
Indirect sales & marketing	(1.3)	(1.8)	-	(3.1)	(1.4)	(1.6)	-	(3.0)
Total sales & marketing	(4.6)	(6.2)	-	(10.7)	(5.3)	(7.4)	-	(12.7)
Technology & Product expensed	(0.9)	(0.6)	(2.6)	(4.0)	(0.4)	(0.2)	(3.4)	(4.0)
Technology & Product development costs	-	-	(3.2)	(3.2)	-	-	(4.3)	(4.3)
Total Technology & Product	(0.9)	(0.6)	(5.8)	(7.2)	(0.4)	(0.2)	(7.7)	(8.3)
Corporate costs	(2.4)	(2.5)	(1.4)	(6.3)	(3.7)	(3.9)	(1.7)	(9.2)
Corporate costs development costs	-	-	-	-	-	-	(0.0)	(0.0)
Total Corporate	(2.4)	(2.5)	(1.4)	(6.3)	(3.7)	(3.9)	(1.7)	(9.3)
Segment contribution	10.9	(13.0)	(6.9)	(9.0)	14.3	(10.7)	(8.6)	(5.0)
Camera units				(1.1)				(2.0)
Corporate capex				(0.4)				(0.6)
Total capex				(1.6)				(2.6)
Cash receipts from unearned income				3.8				5.4
Capital raise net proceeds				-				67.1
Other items				(1.0)				(1.2)
Net increase/(decrease) in cash				(7.7)				63.8

Individual amounts may not add due to rounding. Refer H1 FY19 Analyst Pack for detailed reconciliation

STATUTORY INCOME STATEMENT.

SEGMENT CONTRIBUTION RECONCILIATION

AU\$m	1H FY18	1H FY19
Revenue	24.4	35.5
Other income	0.3	0.8
Total revenue and other income	24.7	36.3
Employee benefits expense	(14.7)	(16.2)
Amortisation and depreciation	(5.9)	(8.6)
Net foreign exchange differences	(0.2)	0.2
Other operational expenses	(8.6)	(11.4)
Total expenses	(29.4)	(36.0)
(Loss) / Profit before tax	(4.7)	0.3
Income tax expense	(1.8)	(2.3)
Loss after tax for the half year	(6.5)	(2.0)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	0.0	(0.1)
Fair value gain / (loss) on cash flow hedges	0.1	(0.0)
Income tax associated with these items	(0.0)	0.0
Total comprehensive loss for the half year	(6.4)	(2.1)
Loss per share		
Basic loss per share for the half year (cents per share)	(1.67)	(0.47)
Diluted loss per share for the half year (cents per share)	(1.67)	(0.47)

AU\$m	1H FY18	1H FY19
AU Contribution	11.4	14.8
US Contribution	(9.4)	(6.7)
Corporate Contribution	(3.7)	(4.3)
Group Contribution	(1.6)	3.8

ANZ SEGMENT.

US SEGMENT (USD).

AU\$m	1H FY18	1H FY19	Change on pcp
Total revenue	20.6	25.7	25%
Gross profit	19.4	24.3	26%
Gross margin (%)	94%	95%	1%
Sales & marketing			
- direct	(3.3)	(3.9)	18%
- indirect	(1.3)	(1.4)	10%
Total sales & marketing	(4.6)	(5.3)	15%
Overheads	(3.4)	(4.2)	24%
Segment Contribution	11.4	14.8	30%
Segment Contribution (%)	55%	58%	5%

US\$m	1H FY18	1H FY19	Change on pcp
Total revenue	2.9	7.1	140%
Gross profit	0.1	3.6	>100%
Gross margin (%)	2%	50%	>100%
Sales & marketing			
- direct	(3.3)	(4.2)	26%
- indirect	(1.4)	(1.2)	(20%)
Total sales & marketing	(4.8)	(5.4)	12%
Overheads	(2.5)	(3.1)	22%
Segment Contribution	(7.3)	(4.9)	(33%)
Segment Contribution (%)	n/a	n/a	

STATUTORY BALANCE SHEET.

AU\$m	1H FY18	1H FY19
Assets		
Current assets		
Cash and cash equivalents	20.6	81.3
Trade receivables	9.7	16.2
Other current receivables	2.6	1.9
Other current assets	2.2	1.2
Current tax receivable	-	0.1
Total current assets	35.2	100.8
Non-current assets		
Plant and equipment	11.8	13.4
Intangible assets	29.7	42.6
Deferred tax assets	2.2	3.8
Total non-current assets	43.7	59.8
Total Assets	78.9	160.6

AU\$m	1H FY18	1H FY19
Liabilities		
Current liabilities		
Trade and other payables	2.4	3.3
Unearned income	29.0	39.2
Employee benefits	3.4	4.1
Current tax liability	0.3	-
Other current liabilities	3.1	4.3
Total current liabilities	38.3	50.9
Non-current liabilities		
Deferred tax liabilities	0.2	10.8
Employee benefits	7.4	0.2
Other non-current liabilities	1.1	1.1
Total non-current liabilities	8.6	12.1
Total Liabilities	46.9	63.0
Net Assets	31.9	97.5
Equity		
Contributed equity	51.9	123.0
Reserves	12.5	13.4
Profits reserve	7.1	7.1
Accumulated losses	(39.5)	(45.9)
Total Equity	31.9	97.5

CASH FLOW STATEMENT.

RECONCILIATION OF STATUTORY NET PROFIT /(LOSS) AFTER TAX TO EBITDA (\$M).

AU\$m	1H FY18	1H FY19
Cash flows from operating activities		
Receipts from customers	28.0	37.0
Payments to suppliers and employees	(31.3)	(35.2)
Interest received	0.2	0.2
Other receipts	0.0	0.0
Income taxes (paid)	(0.2)	(0.6)
Net cash from / (used in) inflow from operating activities	(3.3)	1.4
Cash flows from investing activities		
Purchase of plant and equipment	(2.3)	(3.0)
Payments for development costs	(2.5)	(3.9)
Proceeds from sale of plant and equipment	0.1	0.0
Proceeds from sale of unlisted investments	-	0.1
Net cash flows used in investing activities	(4.7)	(6.8)
Cash flows from financing activities		
Proceeds from share offer	-	67.1
Proceeds from exercise of share options	0.4	2.1
Proceeds from exercise of share option loans	-	0.0
Payments for treasury shares	-	(0.1)
Net cash inflows from financing activities	0.4	69.1
Net increase/(decrease) in cash and cash equivalents	(7.6)	63.8
Cash and cash equivalents at the beginning of the half year	28.3	17.5
Effect of movement of exchange rates on cash held	(0.1)	0.0
Cash and cash equivalents at the end of the half year	20.6	81.3

AU\$m	1H FY18	1H FY19
Net profit / (loss) after tax	(6.5)	(2.0)
Income tax	1.8	2.3
R&D tax rebate	-	-
Interest income	(0.2)	(0.6)
FX	0.2	(0.2)
EBIT	(4.7)	(0.5)
Depreciation & amortisation	5.9	8.6
EBITDA	1.2	8.1

DEFINITIONS.

TERM	DEFINITION
ACV	Annualised Contract Value = annualised value of all active subscription contracts in effect at a particular date
ARPS	Average Revenue per Subscription = Total ACV divided by total number of subscriptions
Churn	ACV value of subscriptions not renewed at the end of a subscription period, offset by the value of recovered subscriptions previously churned
LTV	Portfolio Lifetime Value calculated as: $\frac{\text{ACV Portfolio value} \times \text{gross margin \%}}{\text{Churn \%}}$
n/a	Not meaningful when metric is negative
pcp	Prior comparative period
STCR	Sales Team Contribution Ratio = ratio of incremental ACV generated by a sales team in a period, compared to the direct costs of obtaining that incremental ACV



 Captured: March 2017
Mosgiel, NZ

nearmap 

CORPORATE INFORMATION

Nearmap Ltd

Level 4 Tower One, 100 Barangaroo Avenue,
Barangaroo NSW 2000, Australia

+61 2 8076 0700

investor.relations@nearmap.com

www.nearmap.com

@Nearmap

IMPORTANT NOTICE AND DISCLAIMER

This presentation includes the following measures used by the Directors and management in assessing the on-going performance and position of the Group: EBITDA, EBIT, ACV, ARPS, Churn, LTV and STCR. These measures are non-IFRS and have not been audited or reviewed. A reconciliation of Statutory Net profit/(loss) after tax to EBITDA is included on page 19 of this presentation.

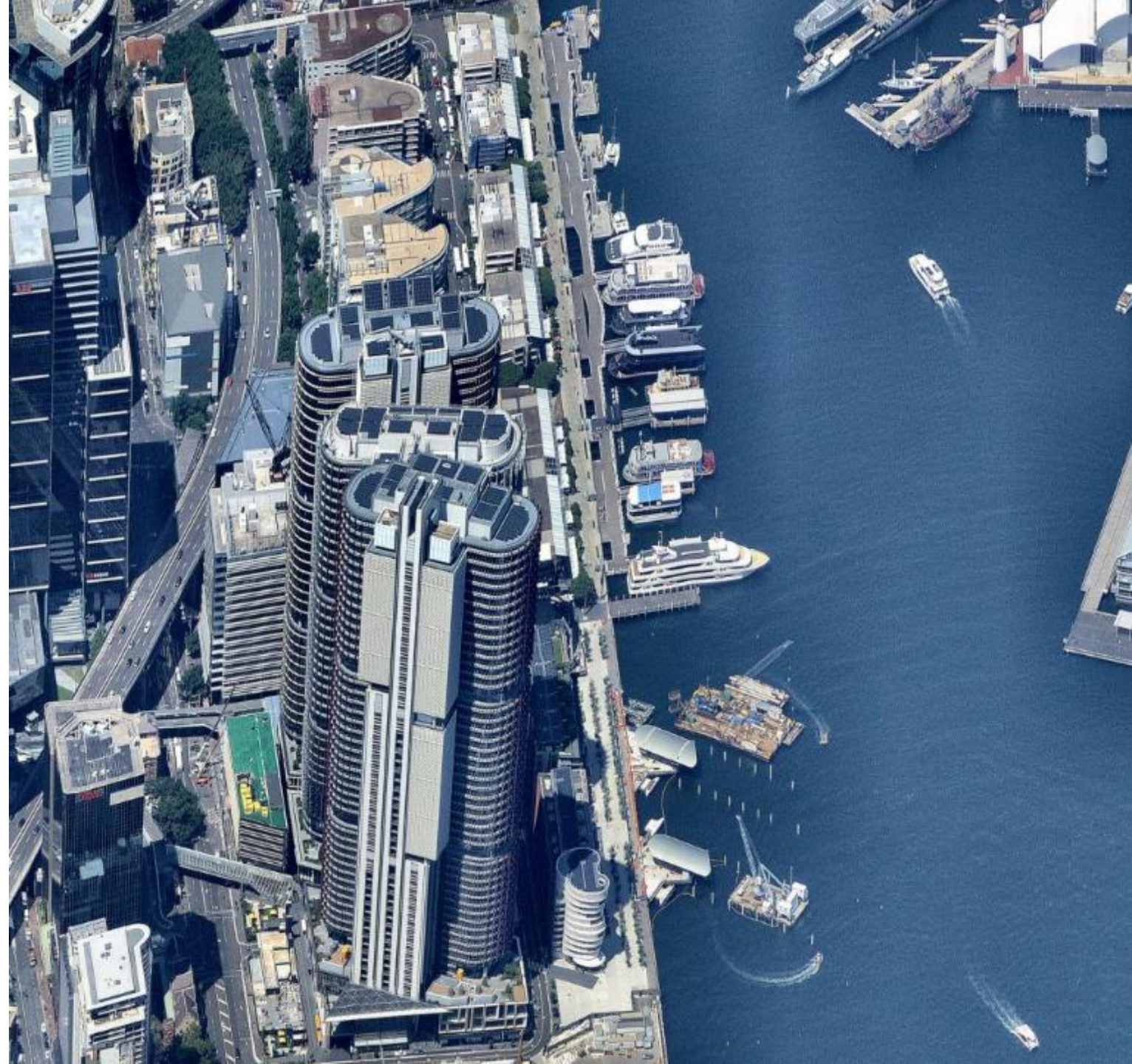
The material in this presentation has been prepared by Nearmap Limited ACN 083 702 907 (Nearmap) and is general background information about Nearmap's activities current as at the date of this presentation. This presentation provides information in summary form only and is not intended to be complete. Nearmap makes no representation or warranty as to the accuracy, completeness or reliability of any of the information contained in this presentation. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Due care and consideration should be undertaken when considering and analysing Nearmap's financial performance.

This presentation may contain forward-looking statements, including statements regarding Nearmap's current intentions, plans, expectations, assumptions and beliefs about future events. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Investors and potential investors are cautioned not to place undue reliance on these forward-looking statements. Nearmap does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to risks, uncertainty and contingencies outside Nearmap's control and are based on estimates and assumptions that are subject to change.

To the maximum extent permitted by law, each of Nearmap and its directors, officers, employees, agents, contractors, advisers and any other person associated with the preparation of this presentation disclaims any liability, including without limitation any liability arising from fault or negligence, for any errors or misstatements in, or omissions from, this presentation or any direct, indirect or consequential loss howsoever arising from the use or reliance upon the whole of any part of this presentation or otherwise arising in connection with it.

All currency amounts are in AU dollars unless otherwise noted.

Tables may not add due to rounding.



For personal use only

For personal use only



nearmap

